

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D. C. 20268-0001

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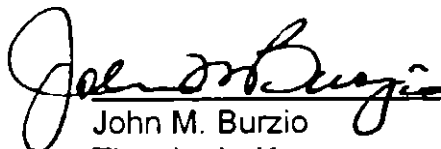
POSTAL RATE & FEE CHANGES, 1997

Docket No. 897-1
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

INTERROGATORY OF TIME WARNER INC. TO UNITED STATES POSTAL SERVICE: TW/USPS-5 (October 2, 1997)

Pursuant to sections 25 and 26 of the Rules of Practice and section 2.E. of the Special Rules of Practice (*"Discovery to Obtain Information Available Only from the Postal Service"*), Time Warner Inc. (Time Warner) directs the following interrogatory to the United States Postal Service.

Respectfully submitted,

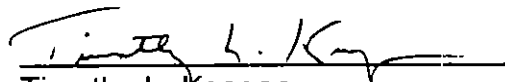

John M. Burzio
Timothy L. Keegan

Counsel for
TIME WARNER INC.

Burzio & McLaughlin
Canal Square, Suite 540
1054 31st Street, N. W.
Washington, D. C. 20007-4403
tel/(202) 965-4555
fax/(202) 965-4432

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the instant document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Timothy L. Keegan

October 2, 1997

SECOND SET OF INTERROGATORIES TO UNITED STATES POSTAL SERVICE

TW/USPS-5 In his response to TW/USPS-12-28e, witness Degen filed data sets tw28emod, tw28ebmc and tw28enmd, which show the volume variable costs allocated to subclasses and special services based on counted mixed mail items, by item type and cost pool. One of the item types sometimes counted by the IOCS clerks was international sacks. At the MODS cost pool called INTL, presumably dealing with international mail, 29.8% of the volume variable costs allocated based on counting international sacks was allocated to the Periodicals subclasses. 40.7% was allocated to Express Mail, 3.6% to Priority, 13.6% to Registry and 11.1% to First Class. None was allocated to international mail. A number of other item types were also counted at the INTL cost pool, and international sacks were also counted at other cost pools. However, only at BMC's did any of these counts show international mail. At the BMC's, it appears that all mail counted in international sacks was identified as international mail, versus none in MODS offices.

- a. Please confirm that periodicals sent abroad are classified as international mail and not as part of the Periodicals subclass. If not confirmed, please explain.
- b. Do the Periodicals volumes shown in the billing determinants and used for domestic rate design purposes include any periodicals mailed to other countries? If yes, please explain.
- c. Is it likely that mail found in international sacks at the INTL cost pool is in fact international mail? If no, please explain.
- d. Does the Postal Service have any explanation for why mail counted in international sacks at BMC's was always classified as international mail, but never classified as international mail when the count occurred in MODS offices?
- e. Has any adjustment been applied, either by Degen or others using his results, to correct the apparent misclassification described above? If yes, please describe those corrections and provide references to the part(s) of the Postal Service's filing where such adjustments were made.